

# LI PO CHUN CHARITABLE TRUST FUND

## Report of the Trustee on the Administration of the Fund for the year ended 31 August 2014

The Li Po Chun Charitable Trust Fund (the Fund) is administered in accordance with the Li Po Chun Charitable Trust Fund Ordinance (the Ordinance) (Chapter 1110) for the purpose of encouraging education by awarding scholarships to Hong Kong students studying locally or abroad, and of promoting social welfare by providing temporary relief to persons in distress where adequate relief is not available from other sources. The Fund was established with shares in a number of local companies donated by the late Mr Li Po-chun.

2. The Fund is vested in the Secretary for Home Affairs Incorporated as trustee. It is administered, as stipulated in section 5 of the Ordinance, by the Li Po Chun Charitable Trust Fund Committee (the Committee). The membership of the Committee during the year under review was as follows –

Secretary for Home Affairs

(Chairman – ex officio)

Mr LI Sui-chee, Alwin

Director of Social Welfare/  
Assistant Director of Social Welfare  
(Family & Child Welfare)

Controller, Student Financial Assistance Agency

Ms YU Yuk-ying, Vivian

up to 28.2.2014

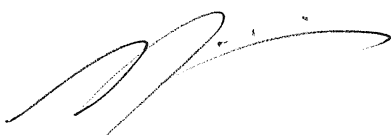
Mr FUNG Wei-lung, Brian

as from 1.3.2014

Ms WONG Kit-lin

3. The secretarial and accounting work of the Fund is undertaken by the Trust Funds and Temples Joint Secretariat. The Director of Audit is the auditor of the accounts as provided for in section 11(2) of the Ordinance. The audited Financial Statements of the Fund for the year ended 31 August 2014 is at Appendix I.

4. During the year, a total of 173 scholarship awards were granted and details are set out at Appendix II. In addition, a total of HK\$2,160,185 was disbursed through the Director of Social Welfare for social relief payments, with details set out at Appendix III.



(Florence HUI)  
Secretary for Home Affairs Incorporated  
Trustee  
Li Po Chun Charitable Trust Fund  
18 February 2015



## Li Po Chun Charitable Trust Fund

Financial Statements for the year ended 31 August 2014

# ***Report of the Director of Audit***



**Audit Commission**

**The Government of the Hong Kong Special Administrative Region**

## **Independent Audit Report**

### **To the Legislative Council**

I certify that I have audited the financial statements of the Li Po Chun Charitable Trust Fund set out on pages 3 to 16, which comprise the balance sheet as at 31 August 2014, and the income and expenditure account, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Secretary for Home Affairs Incorporated's Responsibility for the Financial Statements**

The Secretary for Home Affairs is responsible for the preparation of financial statements that give a true and fair view in accordance with section 11(1) of the Li Po Chun Charitable Trust Fund Ordinance (Cap. 1110) and Hong Kong Financial Reporting Standards, and for such internal control as the Secretary for Home Affairs Incorporated determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with section 11(2) of the Li Po Chun Charitable Trust Fund Ordinance and the Audit Commission auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the

auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Secretary for Home Affairs Incorporated, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements give a true and fair view of the financial position of the Li Po Chun Charitable Trust Fund as at 31 August 2014, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with section 11(1) of the Li Po Chun Charitable Trust Fund Ordinance.



Frederick T C WONG  
Principal Auditor  
for Director of Audit

18 February 2015

Audit Commission  
26th Floor  
Immigration Tower  
7 Gloucester Road  
Wanchai, Hong Kong

**LI PO CHUN CHARITABLE TRUST FUND**  
**BALANCE SHEET AS AT 31 AUGUST 2014**

	Note	2014 HK\$	2013 HK\$
<b>NON-CURRENT ASSETS</b>			
Available-for-sale financial assets	3	74,684,169	71,223,532
<b>CURRENT ASSETS</b>			
Financial assets at fair value through profit or loss	4	-	12,206,537
Accounts receivable		928,147	820,120
Prepayments		1,889,103	320,000
Time deposits with original maturity within 3 months		7,365,962	9,045,808
Call deposit		-	116,955
Cash at banks		16,137,019	5,002,636
		<hr/> 26,320,231	<hr/> 27,512,056
<b>CURRENT LIABILITIES</b>			
Provision for staff gratuity	5	(91,938)	(73,326)
Provision for untaken leave		(3,129)	(9,016)
Accounts payable		(387,453)	(322,183)
		<hr/> (482,520)	<hr/> (404,525)
<b>NET CURRENT ASSETS</b>			
		<hr/> 25,837,711	<hr/> 27,107,531
		<hr/> <hr/> 100,521,880	<hr/> <hr/> 98,331,063
<b>ACCUMULATED FUND</b>			
Capital		55,441,378	55,441,378
Accumulated surplus		45,011,676	47,748,076
Investment revaluation reserve		68,826	(4,858,391)
		<hr/> 100,521,880	<hr/> 98,331,063
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes 1 to 10 form part of these financial statements.



(Florence HUI)  
Secretary for Home Affairs Incorporated  
Trustee  
Li Po Chun Charitable Trust Fund  
18 February 2015

**LI PO CHUN CHARITABLE TRUST FUND**

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	2014 HK\$	2013 HK\$
<b>INCOME</b>			
Dividend		2,436,523	2,504,824
Interest	6	581,319	394,651
Gains on disposal of available-for-sale financial assets		298,245	1,481,452
Gains on disposal of financial assets at fair value through profit or loss		1,148,346	161,151
Unrealised gains on financial assets at fair value through profit or loss		-	461,730
Exchange gain		-	158,345
Other income		83,146	58,084
		<hr/> 4,547,579	<hr/> 5,220,237
<b>EXPENDITURE</b>			
Scholarship awards		(4,100,714)	(3,969,729)
Training and conference grants		(162,191)	(453,108)
Social relief grants		(2,160,185)	(2,266,225)
Exchange loss		(91,994)	-
Staff costs		(630,081)	(573,298)
Investment management fees and charges		(93,605)	(124,676)
Miscellaneous		(45,209)	(42,255)
		<hr/> (7,283,979)	<hr/> (7,429,291)
<b>DEFICIT FOR THE YEAR</b>		<hr/> (2,736,400) =====	<hr/> (2,209,054) =====

The accompanying notes 1 to 10 form part of these financial statements.

**LI PO CHUN CHARITABLE TRUST FUND**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

	<b>2014</b> <b>HK\$</b>	<b>2013</b> <b>HK\$</b>
<b>DEFICIT FOR THE YEAR</b>	(2,736,400)	(2,209,054)
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that may be reclassified subsequently to surplus or deficit :		
Available-for-sale financial assets		
Fair value changes on revaluation	5,101,418	4,810,237
Fair value changes transferred to the income and expenditure account upon disposal	(174,201)	(827,405)
	4,927,217	3,982,832
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	2,190,817	1,773,778
	=====	=====

The accompanying notes 1 to 10 form part of these financial statements.

**LI PO CHUN CHARITABLE TRUST FUND****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 AUGUST 2014**

	<b>Capital HK\$</b>	<b>Accumulated Surplus HK\$</b>	<b>Investment Revaluation Reserve HK\$</b>	<b>Total HK\$</b>
Balance at 1 September 2012	55,441,378	49,957,130	(8,841,223)	96,557,285
Total comprehensive income for 2012-13	-	(2,209,054)	3,982,832	1,773,778
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 1 September 2013	55,441,378	47,748,076	(4,858,391)	98,331,063
Total comprehensive income for 2013-14	-	(2,736,400)	4,927,217	2,190,817
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 August 2014	55,441,378 =====	45,011,676 =====	68,826 =====	100,521,880 =====

The accompanying notes 1 to 10 form part of these financial statements.



**LI PO CHUN CHARITABLE TRUST FUND**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2014**

	<b>2014 HK\$</b>	<b>2013 HK\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Deficit for the year	(2,736,400)	(2,209,054)
Dividend income	(2,436,523)	(2,504,824)
Interest income	(581,319)	(394,651)
Gains on disposal of financial assets at fair value through profit or loss	(1,148,346)	(161,151)
Unrealised gains on financial assets at fair value through profit or loss	-	(461,730)
Gains on disposal of available-for-sale financial assets	(298,245)	(1,481,452)
Exchange loss/(gain)	92,261	(120,030)
Increase in accounts receivable	(73,450)	(422,753)
Increase in prepayments	(1,569,103)	(24,000)
Increase in provision for staff gratuity	18,612	48,326
(Decrease)/Increase in provision for untaken leave	(5,887)	5,784
Increase/(Decrease) in accounts payable	65,270	(294,899)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(8,673,130)</u>	<u>(8,020,434)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of available-for-sale financial assets	-	(11,677,586)
Purchase of financial assets at fair value through profit or loss	(3,171,340)	(3,438,511)
Proceeds from disposal of available-for-sale financial assets	1,732,923	17,842,956
Proceeds from disposal of financial assets at fair value through profit or loss	16,526,223	3,270,213
Dividend received	2,444,890	2,382,605
Interest received	522,949	693,765
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<u>18,055,645</u>	<u>9,073,442</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	9,382,515	1,053,008
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	14,165,399	13,015,456
Effect of exchange rate changes on cash and cash equivalents	(44,933)	96,935
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>23,502,981</u>	<u>14,165,399</u>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Time deposits with original maturity within three months	7,365,962	9,045,808
Call deposit	-	116,955
Cash at banks	16,137,019	5,002,636
	<u>23,502,981</u>	<u>14,165,399</u>

The accompanying notes 1 to 10 form part of these financial statements.

**LI PO CHUN CHARITABLE TRUST FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL**

The Li Po Chun Charitable Trust Fund (the Fund) provides assistance for:

- (a) educational purposes, including the establishment or endowment of educational institutions in Hong Kong; and
- (b) the relief of distress in cases for which no adequate assistance is available from other sources,

in accordance with section 6(1) of the Li Po Chun Charitable Trust Fund Ordinance (Cap. 1110).

The address of the Fund's principal place of business is 34<sup>th</sup> Floor, Wu Chung House, 213 Queen's Road East, Wan Chai, Hong Kong.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Statement of compliance**

The financial statements have been prepared in accordance with section 11(1) of the Li Po Chun Charitable Trust Fund Ordinance and all applicable Hong Kong Financial Reporting Standards (HKFRSs) issued by the Hong Kong Institute of Certified Public Accountants.

**(b) Basis of preparation**

The financial statements have been prepared on an accrual basis and under the historical cost convention except that available-for-sale financial assets and financial assets at fair value through profit or loss are stated at fair value as explained in the accounting policies set out in notes 2(d) and 2(e) below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenditure. The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical accounting judgements involved in the application of the Fund's accounting policies. There are neither key assumptions concerning the future nor other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next year.

**(c) Adoption of new HKFRSs**

The Fund has adopted the following new HKFRS for the first time which is applicable to the Fund and effective for the current accounting period:

- HKFRS 13 "Fair Value Measurement"

The adoption of the new HKFRS has had no significant impact on the reported results and the financial position of the Fund.

The Fund has not early adopted any amendments, new standards and interpretations which are not yet effective for the current accounting period. The Fund is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial adoption. So far, it has concluded that the adoption of them is unlikely to have a significant impact on the Fund's result of operations and financial position.

**(d) Available-for-sale financial assets**

The Fund's available-for-sale financial assets are classified as non-current assets unless the Li Po Chun Charitable Trust Fund Committee (the Committee) intends to dispose of the investments within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date on which the Fund is committed to the transactions. Available-for-sale financial assets are initially recognised at fair value plus transaction costs. At each balance sheet date, the fair value is re-measured and any unrealised holding gain or loss arising from the change in fair value is recognised in other comprehensive income and accumulated separately in the investment revaluation reserve.

When available-for-sale financial assets are sold, gains or losses on disposal include the difference between the net sale proceeds and the carrying amount, as well as the accumulated fair value adjustments released from the investment revaluation reserve to the income and expenditure account.

The fair values of quoted investments are based on current bid-prices.

The Fund assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired. The cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income and expenditure account – is removed from the investment revaluation reserve and recognised in the income and expenditure account. Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses for debt securities are recognised in the income and expenditure account. Impairment losses for equity securities are not reversed through the income and expenditure account. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

**(e) Financial assets at fair value through profit or loss**

Financial assets classified as held for trading are included in the category “financial assets at fair value through profit or loss”. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Financial assets under this category are carried at fair value by reference to their market prices at the balance sheet date. Changes in the fair value are included in the income and expenditure account in the period in which they arise. Upon disposal, the difference between the net sale proceeds and the carrying value is also recognised in the income and expenditure account.

**(f) Foreign currency translation**

Hong Kong dollar is the currency of the primary economic environment in which the Fund operates. Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Exchange gains and losses are dealt with in the income and expenditure account.

**(g) Revenue recognition**

Interest income is recognised as it accrues using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period to the net carrying amount of the financial asset.

Dividend income is recognised when the Fund’s right to receive payment is established.

**(h) Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value, having been within three months of maturity when acquired.

### 3. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2014 HK\$	2013 HK\$
Self-managed investments		
Equity securities – at fair value		
Listed in Hong Kong	63,370,406	59,944,895
Bonds – at fair value		
Listed outside Hong Kong	11,313,763	11,278,637
	<hr/>	<hr/>
	74,684,169	71,223,532
	=====	=====
Classified as :		
Non-current assets	74,684,169	71,223,532
	=====	=====

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2014 HK\$	2013 HK\$
Investments by fund manager		
Equity funds – at fair value		
Unlisted	-	6,598,338
Bond funds – at fair value		
Unlisted	-	5,608,199
	<hr/>	<hr/>
	-	12,206,537
	=====	=====

### 5. PROVISION FOR STAFF GRATUITY

	2014 HK\$	2013 HK\$
Balance at beginning of year	73,326	25,000
Provision for the year	56,873	49,084
Payment for the year	(38,261)	(758)
	<hr/>	<hr/>
Balance at end of year	91,938	73,326
	=====	=====

## 6. INTEREST

	2014 HK\$	2013 HK\$
(a) Interest on self-managed investments:		
Interest on time deposits and savings accounts	232,363	144,422
Interest on bonds	348,694	249,853
	581,057	394,275
(b) Interest on investments by fund manager:		
Interest on call deposit	262	376
	<u>581,319</u>	<u>394,651</u>
	=====	=====

## 7. FINANCIAL RISK MANAGEMENT

- (a) The Fund's major financial instruments include available-for-sale financial assets, financial assets at fair value through profit or loss and bank deposits. The major risks associated with these financial instruments are set out below.

### (I) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The maximum exposure to credit risk as at the balance sheet date in relation to each class of financial assets is the carrying amount of those assets as stated in the balance sheet.

To minimise the credit risks arising from bank deposits, all time deposits are placed with reputable licensed banks in Hong Kong. To minimise credit risks arising from available-for-sale financial assets and financial assets at fair value through profit or loss, only those classified under the investment grade by Moody's or Standard & Poor's are considered. At the balance sheet date, the credit quality of investments in bonds and bond funds analysed by the lower of ratings designated by Moody's or Standard & Poor's was as follows:

	2014 HK\$	2013 HK\$
Bonds by credit rating		
A1 to A3/A+ to A-	11,313,763	11,278,637
Bond funds by credit rating		
Aa1 to Aa3/AA+ to AA-	-	3,034,834
Baa1 to Baa3/BBB+ to BBB-	-	2,573,365
	-	5,608,199
	<u>11,313,763</u>	<u>16,886,836</u>

For other receivables, the Fund considers that adequate provision has been made, where necessary, for amounts which are expected to be irrecoverable.

## (II) Market risk

The Fund's investments and bank deposits are exposed to market risk due to changes in market variables such as interest rates, equity prices and exchange rates. To manage the risk, the Committee regularly reviews the investment portfolio and the investment guidelines for monitoring the investment activities of the Fund.

### (i) Equity price risk

The Fund maintains a diversified portfolio of investments. The Committee monitors the performance of the portfolio and regularly reviews the investment strategy of the Fund in order to manage the equity price risk. It is estimated that if the market prices of the respective equity securities had been 10% (2013: 10%) higher/lower, the total balance of the accumulated surplus and investment revaluation reserve of the Fund would have increased/decreased by about HK\$6,337,000 (2013: about HK\$6,654,000). The sensitivity analysis was based on the carrying amounts of the Fund's equity securities and equity funds as at the balance sheet date and on the assumption that all other variables were held constant.

### (ii) Interest rate risk

Interest rate risk is the risk of loss arising from changes in market interest rates. This can be further classified into fair value interest rate risk and cash flow interest rate risk.

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

Since all the Fund's deposits with banks bear interest at fixed rates, their fair values will fall when market interest rates increase. However, as they are all stated at amortised cost, changes in market interest rates will not affect their carrying amounts and the Fund's deficit and equity.

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund's exposure to cash flow interest rate risk is small as it has no major floating-rate investments.

For the Fund's investments in bonds and bond funds, their fair values will generally fall when market interest rates increase. It is estimated that, as at 31 August 2014, a general increase/decrease of 25 basis points (2013: 25 basis points) in interest rates, with all other variables held constant, would decrease/increase the investment revaluation reserve by HK\$40,000 (2013: HK\$66,000). Since there were no financial assets at fair value through profit or loss at the balance date, the changes in interest rates would not change the deficit of the Fund for the year (2013: increase/decrease the deficit by about HK\$76,000). The sensitivity analysis was determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to bonds and bond funds in existence at that date. The 25 basis points increase/decrease represents the Fund's assessment of a reasonably possible change in interest rates over the period until the next balance sheet date.

(iii) Foreign currency risk

(a) Exposure to currency risk

The Fund maintained net financial instruments denominated in Renminbi at a total of CNY14,897,963 (2013: CNY13,340,767) and none in United States dollars (2013: USD803,290) at the balance sheet date. As Hong Kong dollar is pegged to the United States dollars within a narrow range, it is considered that the Fund had no significant exposure to foreign exchange risk relating to this currency. Since no foreign currency rate hedging is made by the Fund, the carrying amounts of the financial instruments in Renminbi represent the maximum exposure of the Fund to foreign currency risk in respect of Renminbi.

(b) Sensitivity analysis

It was estimated that as at 31 August 2014, should the Renminbi strengthen/weaken by 5% (2013: 5%) against the Hong Kong dollar, with all other variables being held constant, the deficit of the Fund would decrease/increase by HK\$940,000 (2013: HK\$845,000 ).



The sensitivity analysis above has been determined assuming that the change in foreign exchange rate had occurred at the year end and for financial instruments in existence at that date. The 5% (2013: 5%) strengthening/weakening in Renminbi represents the assessment by the Fund of a reasonably possible change in foreign exchange rate over the period until the end of next year.

### (III) Liquidity risk

In the management of liquidity risk, the Fund maintains a level of cash and cash equivalents that is considered adequate to finance its operations and mitigate the effects of fluctuations in cash flows.

#### (b) Fair value hierarchy of financial instruments

The following table presents the carrying values of financial instruments measured at fair value at the balance sheet date on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 Fair Value Measurement.

	Level 1 HK\$	2014 Level 2 HK\$	Total HK\$	Level 1 HK\$	2013 Level 2 HK\$	Total HK\$
<b>Available-for-sale financial assets</b>						
Equity securities						
- listed	63,370,406	-	63,370,406	59,944,895	-	59,944,895
Bonds						
- listed	11,313,763	-	11,313,763	11,278,637	-	11,278,637
	<u>74,684,169</u>	<u>-</u>	<u>74,684,169</u>	<u>71,223,532</u>	<u>-</u>	<u>71,223,532</u>
<b>Financial assets at fair value through profit or loss</b>						
Equity funds						
- unlisted	-	-	-	-	6,598,338	6,598,338
Bond funds						
- unlisted	-	-	-	-	5,608,199	5,608,199
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,206,537</u>	<u>12,206,537</u>
	<u>74,684,169</u>	<u>-</u>	<u>74,684,169</u>	<u>71,223,532</u>	<u>12,206,537</u>	<u>83,430,069</u>
	=====	=====	=====	=====	=====	=====

No financial instruments were classified under Level 3. During the year, there were no significant transfers between financial instruments in Level 1 and Level 2.

The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation techniques as follows:

Level 1 valuations: fair value measured using only unadjusted quoted prices in active markets for identical financial instruments at the measurement date.

Level 2 valuations: fair value measured using observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

Level 3 valuations: fair value measured using significant unobservable inputs.

## **8. CAPITAL MANAGEMENT**

The capital structure of the Fund consists of the capital, accumulated surplus and investment revaluation reserve. The Fund's objectives when managing capital are:

- to comply with the Li Po Chun Charitable Trust Fund Ordinance; and
- to maintain a strong capital base for carrying out the purpose of the Fund as stated in note 1 above.

The Fund manages capital to ensure that its level is sufficient to fund future awards, grants and expenditure, taking into account projected cash flow requirements, future financial obligations and commitments.

## **9. COMMITMENTS**

As at 31 August 2014, the financial commitments for approved scholarship awards pending payment were HK\$2,407,825 (2013: HK\$1,367,050).

## **10. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES**

All financial instruments are stated in the balance sheet at amounts equal to or not materially different from their fair values.

Appendix II

Li Po Chun Scholarships  
List of Awards for the year ended 31.8.2014  
under Section 6(1)(a)(i) of Cap. 1110

<u>Categories</u>		<u>Amount</u> HK\$
I.	Overseas Postgraduate Studies and Professional Training Scholarships (Para. 2 of the Schedule)	490,000
II.	Anglo-Chinese Secondary Schools Scholarships (Para. 3(2) of the Schedule)	148,960
III.	Undergraduate Scholarships (Para. 3(4) of the Schedule)	1,816,500
IV.	Local Postgraduate Scholarships (Para. 4 of the Schedule)	327,275
V.	United World Colleges (Para. 4 of the Schedule)	1,268,104
VI.	Vocational Training Council (Para. 4 of the Schedule)	49,875
VII.	Training & Conference Grants (Para. 4 of the Schedule)	162,191
		<hr/> 4,262,905 <hr/> <hr/>

Appendix III

Li Po Chun Charitable Trust Fund

Grants through the Social Welfare Department  
for the relief of persons in distress  
under Section 6(1)(a)(ii) of Cap. 1110

<u>Description</u>	<u>Amount</u> HK\$
Removal & reaccommodation grants	269,309.20
Grants for rents and other related requirements	736,083.20
Grants for the welfare of the applicant in coping with special needs arising from crisis or unexpected circumstances	596,448.30
Grants for medical treatment and assessment	22,522.30
Burial grants for needy non-natural disaster victims	284,268.00
Grants for purchase of spectacles, dentures and medical/rehabilitation appliances on medical recommendations and repair services of the same	41,869.00
Grants for purchase of necessary items for needy cases under special circumstances	99,525.90
Special grants which the Director of Social Welfare considers appropriate	10,160.00
Grants to the Samaritan Fund	100,000.00
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	2,160,185.90
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